

106TH CONGRESS  
2D SESSION

# H. R. 4992

To guarantee for all Americans quality, affordable, and comprehensive health insurance coverage.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2000

Ms. BALDWIN (for herself and Mr. OBEY) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To guarantee for all Americans quality, affordable, and comprehensive health insurance coverage.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Health Security for All Americans Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 the Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Findings.

TITLE I—HEALTH SECURITY FOR ALL AMERICANS—EXPANSION  
PHASE (PHASE I)

Sec. 101. Expansion phase (phase I) voluntary State universal health insurance coverage plans.

“TITLE XXII—HEALTH SECURITY FOR ALL AMERICANS

“PART A—EXPANSION PHASE (PHASE I) PLANS

“Sec. 2201. Purpose; voluntary State plans.

“Sec. 2202. Plan requirements.

“Sec. 2203. Coverage requirements for expansion phase (phase I) plans.

“Sec. 2204. Allotments.

“Sec. 2205. Administration.

“Sec. 2206. Definitions.”.

TITLE II—HEALTH SECURITY FOR ALL AMERICANS—UNIVERSAL  
PHASE (PHASE II)

Sec. 201. Universal phase (phase II) State universal health insurance coverage plans.

“PART B—UNIVERSAL PHASE (PHASE II) PLANS

“Sec. 2211. Purpose; mandatory State plans.

“Sec. 2212. Plan requirements.

“Sec. 2213. Coverage requirements for universal phase (phase II) plans.

“Sec. 2214. Requirements for employers regarding the provision of benefits.

“Sec. 2215. Allotments.

“Sec. 2216. Administration; definitions.”.

Sec. 202. Consumer protections.

“PART C—CONSUMER PROTECTIONS

“Sec. 2221. Home care standards.

“Sec. 2222. Consumer protection in the event of termination or suspension of services.

“Sec. 2223. Consumer protection through disclosure of information.

“Sec. 2224. Consumer protection through notice of changes in health care delivery.”.

TITLE III—PATIENT PROTECTIONS

Sec. 301. Incorporation of certain protections.

TITLE IV—HEALTH CARE QUALITY, PATIENT SAFETY, AND  
WORKFORCE STANDARDS

Sec. 401. Health Care Quality, Patient Safety, and Workforce Standards Institute.

Sec. 402. Health Care Quality, Patient Safety, and Workforce Standards Advisory Committee.

TITLE V—IMPROVING MEDICARE BENEFITS

Sec. 501. Full mental health and substance abuse treatment benefits parity.

## TITLE VI—LONG-TERM AND HOME HEALTH CARE

Sec. 601. Studies and demonstration projects to identify model programs.

## TITLE VII—MISCELLANEOUS

Sec. 701. Nonapplication of ERISA.

Sec. 702. Sense of Congress regarding offsets.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The health of the American people is the  
4 foundation of American strength, productivity, and  
5 wealth.

6 (2) The guarantee of health care coverage and  
7 access to quality medical care to all Americans is a  
8 fundamental right and is essential to the general  
9 welfare.

10 (3) 45,000,000 Americans, more than  
11 11,000,000 of whom are children, have no health in-  
12 surance, and that number will grow to more than  
13 54,000,000 by 2007 even if the economy remains  
14 strong.

15 (4) Health insurance coverage is unstable; less  
16 than 1/2 of all adults have been in their current  
17 health plan for 3 years.

18 (5) The average American will hold at least 7  
19 jobs during their life, risking lack of health coverage  
20 every time they change or are between jobs.

21 (6) In 1998, annual health care expenditures in  
22 the United States totaled \$1,150,000,000,000, or

1       \$4,094 per person. National health expenditures are  
2       projected to total \$2,200,000,000,000 by 2008.

3           (7) In 1998, health care expenditures rep-  
4       resented 13.5 percent of the gross domestic product  
5       in the United States and grew at the rate of 5.6 per-  
6       cent while the gross domestic product grew only at  
7       the rate of 4.9 percent. By 2008, health care ex-  
8       penditures are projected to reach 16.2 percent of  
9       gross domestic product. Growth in health spending  
10      is projected to average 1.8 percentage points above  
11      the growth rate of the gross domestic product for  
12      the period beginning with 1998 and ending with  
13      2008.

14          (8) Although the United States spends consid-  
15      erably more in health care per person than any other  
16      nation, it ranks only fifteenth among countries  
17      worldwide on an overall index designed to measure  
18      a range of health goals according to the World  
19      Health Organization.

20          (9) One of 4 adults, about 40,000,000 people,  
21      say they have gone without needed medical care be-  
22      cause they couldn't afford it.

23          (10) Nearly 31,000,000 Americans face collec-  
24      tion agencies annually because they owe money for  
25      medical bills.

1           (11) The average American worker is paying 3  
2           times more for family coverage than 10 years ago,  
3           and more than 4 times more for employee-only cov-  
4           erage.

5           (12) Because many individuals do not have  
6           health insurance coverage, they may incur health  
7           care costs which they do not fully reimburse, result-  
8           ing in cost-shifting to others.

9           (13) As a consequence of the piecemeal health  
10          care system in the United States, administrative  
11          overhead costs approximately \$1,000 per person an-  
12          nually, while other Western industrialized nations  
13          with universal health care systems spend approxi-  
14          mately \$200 per person annually for administrative  
15          overhead.

16          (14) The United States should adopt national  
17          goals of universal, affordable, comprehensive health  
18          insurance coverage and should provide generous  
19          matching grants to the States to achieve those goals  
20          within 5 years of the date of enactment of this Act.

1 **TITLE I—HEALTH SECURITY FOR**  
 2 **ALL AMERICANS—EXPANSION**  
 3 **PHASE (PHASE I)**

4 **SEC. 101. EXPANSION PHASE (PHASE I) VOLUNTARY STATE**  
 5 **UNIVERSAL HEALTH INSURANCE COVERAGE**  
 6 **PLANS.**

7 The Social Security Act (42 U.S.C. 301 et seq.) is  
 8 amended by adding at the end the following:

9 **“TITLE XXII—HEALTH SECURITY**  
 10 **FOR ALL AMERICANS**

11 **“PART A—EXPANSION PHASE (PHASE I) PLANS**

12 **“SEC. 2201. PURPOSE; VOLUNTARY STATE PLANS.**

13 “(a) PURPOSE.—The purpose of this part is to pro-  
 14 vide funds to participating States to enable those States  
 15 to ensure universal health insurance coverage by estab-  
 16 lishing State administered systems.

17 “(b) EXPANSION PHASE (PHASE I) PLAN RE-  
 18 QUIRED.—A State is not eligible for a payment under sec-  
 19 tion 2205(a) unless the State has submitted to the Sec-  
 20 retary a plan that—

21 “(1) sets forth how the State intends to use the  
 22 funds provided under this part to ensure universal,  
 23 affordable, and comprehensive health insurance cov-  
 24 erage to eligible residents of the State consistent  
 25 with the provisions of this part; and

1 “(2) has been approved under section 2202(d).

2 **“SEC. 2202. PLAN REQUIREMENTS.**

3 “(a) IN GENERAL.—Every expansion phase (phase I)  
4 plan shall include provisions for the following:

5 “(1) INFORMATION ON THE LEVEL OF HEALTH  
6 INSURANCE COVERAGE.—

7 “(A) The level of health insurance coverage  
8 within the State as determined under sub-  
9 section (b).

10 “(B) The base coverage gap for the year  
11 involved as determined under subsection (b)(4).

12 “(C) State efforts to provide or obtain  
13 health insurance coverage for uncovered resi-  
14 dents of the State, including the steps the State  
15 is taking to identify and enroll all uncovered  
16 residents of the State who are eligible to par-  
17 ticipate in public or private health insurance  
18 programs.

19 “(2) DETAILS OF, AND TIMELINES FOR, EXPAN-  
20 SION PHASE (PHASE I) PLAN.—

21 “(A) USE OF FUNDS; COORDINATION.—

22 The activities that the State intends to carry  
23 out using funds received under this part, in-  
24 cluding how the State will coordinate efforts  
25 under this part with existing State efforts to in-

1           crease the health insurance coverage of individ-  
2           uals.

3           “(B) TIMELINES.—Consistent with sub-  
4           section (c), the manner in which the State will  
5           reduce the base coverage gap for the year in-  
6           volved, including a timetable with specified tar-  
7           gets for reducing the base coverage gap by—

8                   “(i) 50 percent within 2 years after  
9                   the date of approval of the expansion  
10                  phase (phase I) plan; and

11                  “(ii) 100 percent within 4 years after  
12                  such date.

13           “(3) MAINTENANCE OF EFFORT.—The manner  
14           in which the State will ensure that—

15                  “(A) employers within the State will con-  
16                  tinue to provide not less than the level of finan-  
17                  cial support toward the health insurance pre-  
18                  miums required for coverage of their employees  
19                  as such employers provided as of the date of en-  
20                  actment of this title; and

21                  “(B) the State will continue to provide not  
22                  less than the level of State expenditures in-  
23                  curred for State-funded health programs as of  
24                  such date.



1           “(4) STATE OUTREACH PROGRAMS; ACCESS.—

2           The manner in which, and a timetable for when, the  
3           State will—

4                   “(A) institute outreach programs; and

5                   “(B) ensure that all eligible residents of  
6           the State have access to the health insurance  
7           coverage provided under this part.

8           “(5) ASSURANCE OF COVERAGE OF ESSENTIAL  
9           SERVICES.—An assurance that the State program  
10          established under this part will comply with the re-  
11          quirements of section 1867 (commonly referred to as  
12          the ‘Emergency Medical Treatment and Active  
13          Labor Act’).

14          “(6) REPRESENTATION ON BOARDS AND COM-  
15          MISSIONS.—The manner in which the State will en-  
16          sure that all Boards and Commissions that the State  
17          establishes to administer the plan will include,  
18          among others, representatives of providers, con-  
19          sumers, employers, and health worker unions.

20          “(7) DISCLOSURE OF INFORMATION TO THE  
21          PUBLIC.—The manner in which the State will ensure  
22          that, with respect to entities and individuals that  
23          provide services for which reimbursement is provided  
24          under this part—

1           “(A) financial arrangements between in-  
2           surers and providers and between providers and  
3           medical equipment suppliers are disclosed to the  
4           public; and

5           “(B) ownership interests and health care  
6           worker qualifications and credentials are dis-  
7           closed to the public.

8           “(8) CONSUMER PROTECTIONS.—The manner  
9           in which the State will ensure compliance with sec-  
10          tions 2221, 2222, 2223, and 2224.

11          “(9) PUBLIC REVIEW.—The manner in which  
12          the State will provide for the public review of insti-  
13          tutional changes in services provided, markets and  
14          regions covered, withdrawal or movement of services,  
15          closures or downsizing, and other actions that affect  
16          the provision of health insurance under the plan.

17          “(10) SERVICES IN RURAL AND UNDERSERVED  
18          AREAS; CULTURAL COMPETENCY.—The manner in  
19          which the State will ensure—

20                 “(A) coverage in rural and underserved  
21                 areas; and

22                 “(B) that the needs of culturally diverse  
23                 populations are met.

24          “(11) PURCHASING POOLS.—The manner in  
25          which the State will encourage the formation of

1 State purchasing pools that provide choice of health  
2 plans, control costs, and reduce adverse risk selec-  
3 tion.

4 “(12) LIMITATION ON ADMINISTRATIVE EX-  
5 PENDITURES.—The manner in which the State will  
6 ensure that all qualified plans in the State expend  
7 at least 90 percent (or, during the first 2 years of  
8 the plan, 85 percent) of total income received from  
9 premiums on the provision of covered health care  
10 benefits (excluding all costs for marketing, adver-  
11 tising, health plan administration, profits, or capital  
12 accumulation) to individuals.

13 “(13) SELF-EMPLOYED AND MULTI-  
14 EMPLOYED.—The manner in which the State will  
15 address self-employed individuals and multiwage  
16 earner families.

17 “(14) MEDICAID WRAPAROUND COVERAGE.—  
18 The manner in which the State will ensure that indi-  
19 viduals who are eligible for medical assistance under  
20 title XIX and who receive benefits under the expan-  
21 sion phase (phase I) plan shall receive any items or  
22 services that are not available under the expansion  
23 phase (phase I) plan but that are available under  
24 the State medicaid program under title XIX through  
25 ‘wraparound coverage’ under such program.

1           “(15) OTHER MATTERS.—Any other matter de-  
2           termined appropriate by the Secretary.

3           “(b) CURRENT LEVEL OF COVERAGE.—

4           “(1) IN GENERAL.—The Secretary shall develop  
5           a survey approach that provides timely and up-to-  
6           date data to determine the percentage of the popu-  
7           lation of each State that is currently covered by a  
8           health insurance plan or program that provides cov-  
9           erage that meets the requirements of section  
10          2203(a).

11          “(2) BIENNIAL SURVEY.—The Secretary shall  
12          provide for the conduct of the survey developed  
13          under paragraph (1) not less than biennially to  
14          make coverage determinations for purposes of para-  
15          graph (1).

16          “(3) USE OF ALTERNATIVE SYSTEM.—The Sec-  
17          retary shall permit a State to utilize an alternative  
18          population-based monitoring system to make deter-  
19          minations with respect to coverage in the State for  
20          purposes of paragraph (1) if the Secretary deter-  
21          mines that such system meets or exceeds the meth-  
22          odological standards utilized in the survey developed  
23          under paragraph (1).

24          “(4) BASE COVERAGE GAP.—For purposes of  
25          subsection (a)(1)(A), the base coverage gap for a

1 State shall be equal to 100 percent of the eligible in-  
2 dividuals and families in the State for the year in-  
3 volved, less the current level of coverage for those in-  
4 dividuals and families for such year as determined  
5 under paragraph (1) or (3).

6 “(c) REDUCING THE LEVEL OF UNINSURED INDIVID-  
7 UALS.—

8 “(1) IN GENERAL.—To be eligible to receive  
9 funds under this part, a State shall agree to admin-  
10 ister an expansion phase (phase I) plan with a goal  
11 of providing health insurance coverage for 100 per-  
12 cent of the eligible residents of the State by not later  
13 than 4 years after the date of approval of the State’s  
14 expansion phase (phase I) plan.

15 “(2) PERMISSIBLE ACTIVITIES.—A State may  
16 use amounts provided under this part for any activi-  
17 ties consistent with this part that are appropriate to  
18 enroll individuals in health plans and health pro-  
19 grams to meet the targets contained in the State  
20 plan under subsection (a)(2)(B), including through  
21 the use of direct payments to health plans or, in the  
22 case of a single State plan, directly to providers of  
23 services.

24 “(d) PROCESS FOR SUBMISSION, APPROVAL, AND  
25 AMENDMENT OF EXPANSION PHASE (PHASE I) PLAN.—

1 The provisions of section 2106 apply to an expansion  
2 phase (phase I) plan under this part in the same manner  
3 as they apply to a State plan under title XXI, except that  
4 no expansion phase (phase I) plan may be effective earlier  
5 than January 1, 2001, and all expansion phase (phase I)  
6 plans must be submitted for approval by not later than  
7 December 31, 2002.

8 **“SEC. 2203. COVERAGE REQUIREMENTS FOR EXPANSION**  
9 **PHASE (PHASE I) PLANS.**

10 “(a) REQUIRED SCOPE OF HEALTH INSURANCE COV-  
11 ERAGE.—Health insurance coverage provided under this  
12 part shall consist of at least the benefits provided under  
13 the Federal Employees Health Benefits Program standard  
14 Blue Cross/Blue Shield preferred provider option service  
15 benefit plan, described in and offered under section  
16 8903(1) of part 5, United States Code, including mental  
17 health and substance abuse treatment benefits parity.

18 “(b) LIMITATIONS ON PREMIUMS AND COST-SHAR-  
19 ING.—

20 “(1) DESCRIPTION; GENERAL CONDITIONS.—An  
21 expansion phase (phase I) plan shall include a de-  
22 scription, consistent with this subsection, of the  
23 amount (if any) of premiums, cost-sharing, or other  
24 similar charges imposed. Any such charges shall be  
25 imposed pursuant to a public schedule.

1           “(2) LIMITATIONS ON PREMIUMS AND COST-  
2       SHARING.—

3           “(A) INDIVIDUALS AND FAMILIES WITH IN-  
4       COME BELOW 150 PERCENT OF POVERTY  
5       LINE.—In the case of an individual or family  
6       whose income is at or below 150 percent of the  
7       poverty line—

8           “(i) the State plan may not impose a  
9       premium; and

10          “(ii) the total annual aggregate  
11       amount of cost-sharing imposed by a State  
12       with respect to all individuals in a family  
13       may not exceed 0.5 percent of the family’s  
14       income for the year involved.

15          “(B) INDIVIDUALS AND FAMILIES WITH  
16       INCOME BETWEEN 150 AND 300 PERCENT OF  
17       POVERTY LINE.—In the case of an individual or  
18       family whose income exceeds 150 percent but  
19       does not exceed 300 percent of the poverty  
20       line—

21          “(i) the State plan may not impose a  
22       premium that exceeds an amount that is  
23       equal to—

24               “(I) 20 percent of the average  
25       cost of providing benefits to an indi-

1                   vidual (or a family) under this part in  
2                   the year involved; or

3                   “(II) 3 percent of the family’s in-  
4                   come for the year involved; and

5                   “(ii) the total annual aggregate  
6                   amount of premiums and cost-sharing  
7                   (combined) imposed by a State with re-  
8                   spect to all individuals in a family may not  
9                   exceed 5 percent of the family’s income for  
10                  the year involved.

11                  “(C) INDIVIDUALS AND FAMILIES WITH IN-  
12                  COME ABOVE 300 PERCENT OF POVERTY  
13                  LINE.—In the case of an individual or family  
14                  whose income exceeds 300 percent of the pov-  
15                  erty line—

16                  “(i) the State plan may not impose a  
17                  premium that exceeds 20 percent of the  
18                  average cost of providing benefits to an in-  
19                  dividual (or a family of the size involved)  
20                  under this part in the year involved; and

21                  “(ii) the total annual aggregate  
22                  amount of premiums and cost-sharing  
23                  (combined) imposed by a State with re-  
24                  spect to all individuals in a family may not



1           exceed 7 percent of the family’s income for  
2           the year involved.

3           “(D) SELF-EMPLOYED INDIVIDUALS.—The  
4           State shall establish rules for self-employed in-  
5           dividuals based on individual and family in-  
6           come.

7           “(3) COLLECTION.—The State shall establish  
8           procedures for collecting any premiums, cost-shar-  
9           ing, or other similar charges imposed under this  
10          part. Such procedures shall provide for annual rec-  
11          onciliations and adjustments.

12          “(c) APPLICATION OF CERTAIN REQUIREMENTS.—

13           “(1) RESTRICTION ON APPLICATION OF PRE-  
14           EXISTING CONDITION EXCLUSIONS.—The expansion  
15           phase (phase I) plan shall not permit the imposition  
16           of any preexisting condition exclusion for covered  
17           benefits under the plan.

18           “(2) CHOICE OF PLANS.—

19           “(A) IN GENERAL.—Except as provided in  
20           subparagraph (B), the expansion phase (phase  
21           I) plan shall offer eligible individuals and fami-  
22           lies a choice of qualified plans from which to re-  
23           ceive benefits under this part. At least 1 plan  
24           shall be a preferred provider option plan.

25           “(B) WAIVER.—The Secretary—

1 “(i) may waive the requirement under  
 2 subparagraph (A) if determined appro-  
 3 priate; and

4 “(ii) shall waive such requirement in  
 5 the case of a State that establishes a single  
 6 State plan.

7 **“SEC. 2204. ALLOTMENTS.**

8 “(a) STATE ALLOTMENTS.—

9 “(1) IN GENERAL.—With respect to a fiscal  
 10 year, the Secretary shall allot to each State with an  
 11 expansion phase (phase I) plan approved under this  
 12 part the amount determined under paragraph (2) for  
 13 such State for such fiscal year.

14 “(2) DETERMINATION OF COST OF COV-  
 15 ERAGE.—The amount determined under this para-  
 16 graph is the amount equal to—

17 “(A) the product of—

18 “(i) the Federal participation rate for  
 19 the State as determined under subsection  
 20 (b) or, if applicable, the enhanced Federal  
 21 participation rate for the State, as deter-  
 22 mined under subsection (c);

23 “(ii) the estimated cost for the min-  
 24 imum benefits package required to comply

1 under section 2203, not to exceed the sum  
2 of—

3 “(I) the total annual Government  
4 and employee contributions required  
5 for individual or self and family health  
6 benefits coverage under the Federal  
7 Employees Health Benefits Program  
8 standard Blue Cross/Blue Shield pre-  
9 ferred provider option service benefit  
10 plan, described in and offered under  
11 section 8903(1) of title 5, United  
12 States Code (adjusted for age, as the  
13 Secretary determines appropriate);  
14 and

15 “(II) the estimated average cost-  
16 sharing expense for an individual or  
17 family; and

18 “(iii) the estimated number of resi-  
19 dents to be enrolled in the expansion phase  
20 (phase I) plan; less

21 “(B) the sum of—

22 “(i) the individual or family health in-  
23 surance contribution and cost-sharing pay-  
24 ments to be made in accordance with sec-  
25 tion 2203(b); and

1 “(ii) any applicable employer contribu-  
2 tion to such payments.

3 “(b) FEDERAL PARTICIPATION RATE.—For purposes  
4 of subsection (a)(2)(A)(i), the Federal participation rate  
5 for a State shall be equal to the enhanced FMAP deter-  
6 mined for the State under section 2105(b).

7 “(c) ENHANCED FEDERAL PARTICIPATION RATE.—  
8 “(1) IN GENERAL.—For purposes of subsection  
9 (a)(2)(A)(i), the enhanced Federal participation rate  
10 for a State shall be equal to the Federal participa-  
11 tion rate for such State under subsection (b), as ad-  
12 justed by the Secretary based on the decrease in the  
13 base coverage gap in the State.

14 “(2) AMOUNT OF ADJUSTMENT AND APPLICA-  
15 TION.—

16 “(A) AMOUNT OF ADJUSTMENT.—The  
17 Federal participation rate under subsection (b)  
18 with respect to a State shall be increased by—

19 “(i) 1 percentage point if the base  
20 coverage gap of the State has decreased by  
21 at least 50 percent within 2 years after the  
22 date of approval of the expansion phase  
23 (phase I) plan, as determined by the Sec-  
24 retary; and

1 “(ii) 3 percentage points if the base  
2 coverage gap of the State has decreased by  
3 100 percent within 4 years after the date  
4 of approval of the expansion phase (phase  
5 I) plan, as determined by the Secretary.

6 “(B) APPLICATION.—The increase de-  
7 scribed in—

8 “(i) subparagraph (A)(i) shall only  
9 apply to a State for the period beginning  
10 with the month of the determination under  
11 such subparagraph and ending with the  
12 month preceding the month of the deter-  
13 mination under subparagraph (A)(ii) (if  
14 any), but in no event for more than 24  
15 months; and

16 “(ii) subparagraph (A)(ii) shall apply  
17 to a State for any year (or portion thereof)  
18 beginning with the month of the deter-  
19 mination under such subparagraph.

20 “(3) FULL COVERAGE.—For purposes of this  
21 part, a State shall be deemed to have decreased its  
22 base coverage gap by 100 percent if the Secretary  
23 determines that—

24 “(A) 98 percent of all eligible residents of  
25 the State are provided health insurance cov-

1           erage under the expansion phase (phase I) plan;  
2           and

3           “(B) the remaining 2 percent of such resi-  
4           dents are served by alternative health care de-  
5           livery systems as demonstrated by the State.

6           “(d) GRANTS TO INDIAN TRIBES, NATIVE HAWAIIAN  
7 ORGANIZATIONS, AND ALASKA NATIVE ORGANIZA-  
8 TIONS.—

9           “(1) IN GENERAL.—Out of funds appropriated  
10          under subsection (e), the Secretary shall reserve an  
11          amount, not to exceed 1 percent of the total allot-  
12          ments determined under subsection (a) for a fiscal  
13          year, to make grants to Indian tribes, Native Hawai-  
14          ian organizations, and Alaska Native organizations  
15          for development and implementation of universal  
16          health insurance coverage plans for members of such  
17          tribes and organizations.

18          “(2) PLAN.—To be eligible to receive a grant  
19          under paragraph (1), an Indian tribe, Native Hawai-  
20          ian organization, or Alaska Native organization shall  
21          submit a universal health insurance coverage plan to  
22          the Secretary at such time, in such manner, and  
23          containing such information, as the Secretary may  
24          require.

1           “(3) REGULATIONS.—The Secretary shall issue  
2 regulations specifying the requirements of this part  
3 that apply to Indian tribes, Native Hawaiian organi-  
4 zations, and Alaska Native organizations receiving  
5 grants under paragraph (1).

6           “(e) APPROPRIATION.—

7           “(1) IN GENERAL.—Out of any funds in the  
8 Treasury not otherwise appropriated, there is appro-  
9 priated to carry out this title such sums as may be  
10 necessary for fiscal year 2001 and each fiscal year  
11 thereafter.

12           “(2) BUDGET AUTHORITY.—Paragraph (1) con-  
13 stitutes budget authority in advance of appropria-  
14 tions Acts and represents the obligation of the Fed-  
15 eral Government to provide States, Indian tribes,  
16 Native Hawaiian organizations, and Alaska Native  
17 organizations with the allotments determined under  
18 this section and the grants for administrative and  
19 outreach activities under section 2205.

20 **“SEC. 2205. ADMINISTRATION.**

21           “(a) PAYMENTS.—

22           “(1) IN GENERAL.—

23           “(A) QUARTERLY.—Subject to subpara-  
24 graph (B) and subsection (b), the Secretary  
25 shall make quarterly payments to each State

1 with an expansion phase (phase I) plan ap-  
2 proved under this part, from its allotment  
3 under section 2204.

4 “(B) FUNDING FOR ADMINISTRATION AND  
5 OUTREACH.—

6 “(i) AUTHORITY TO MAKE GRANTS.—

7 In addition to the allotments determined  
8 under section 2204, the Secretary may  
9 make grants to States, Indian tribes, Na-  
10 tive Hawaiian organizations, and Alaska  
11 Native organizations for expenditures for  
12 administrative and outreach activities.

13 “(ii) AMOUNTS.—

14 “(I) IN GENERAL.—A grant  
15 awarded under this subparagraph  
16 shall not exceed the applicable per-  
17 centage (as determined under sub-  
18 clause (II)) of the total amount allot-  
19 ted to the State, Indian tribe, Native  
20 Hawaiian organization, or Alaska Na-  
21 tive organization under section 2204.

22 “(II) APPLICABLE PERCENT-  
23 AGE.—For purposes of subclause (I),  
24 the applicable percentage is—



1                   “(aa) 14 percent during the  
2                   first 2 years an expansion phase  
3                   (phase I) plan is in effect and  
4                   complies with the requirements of  
5                   this title;

6                   “(bb) 12 percent during the  
7                   third, fourth, and fifth years that  
8                   such plan, or a universal phase  
9                   (phase II) plan added by an ad-  
10                  dendum to an expansion phase  
11                  (phase I) plan, is in effect and  
12                  complies with the requirements of  
13                  this title; and

14                  “(cc) 10 percent during any  
15                  year thereafter such plan (or uni-  
16                  versal phase (phase II) plan  
17                  added by an addendum to such  
18                  plan) is in effect and complies  
19                  with the requirements of this  
20                  title.

21                  “(2) ADVANCE PAYMENT; RETROSPECTIVE AD-  
22                  JUSTMENT.—The Secretary may make payments  
23                  under this part for each quarter on the basis of ad-  
24                  vance estimates by the State and such other inves-  
25                  tigation as the Secretary may find necessary, and

1       may reduce or increase the payments as necessary to  
2       adjust for any overpayment or underpayment for  
3       prior quarters.

4               “(3) FLEXIBILITY IN SUBMITTAL OF CLAIMS.—  
5       Nothing in this subsection shall be construed as pre-  
6       venting a State from claiming as expenditures in the  
7       quarter expenditures that were incurred in a pre-  
8       vious quarter.

9               “(b) AUTHORITY FOR BLENDED RATE FOR HEALTH  
10       SECURITY, MEDICAID, AND SCHIP FUNDS.—The Sec-  
11       retary shall establish procedures for blending the pay-  
12       ments that a State is entitled to receive under this title,  
13       title XIX, and title XXI into 1 payment rate if—

14               “(1) the State requests such a blended pay-  
15       ment; and

16               “(2) the Secretary finds that the State meets  
17       maintenance of effort requirements established by  
18       the Secretary.

19               “(c) LIMITATIONS ON FEDERAL PAYMENTS BASED  
20       ON COST CONTAINMENT.—

21               “(1) DETERMINATION OF BASELINE.—Each  
22       year (beginning with 2001), the Secretary shall es-  
23       tablish a baseline projection for the national rate of  
24       growth in private health insurance premiums for  
25       such year.

1           “(2) REQUIREMENT.—Beginning with fiscal  
2           year 2002 and each fiscal year thereafter, any pay-  
3           ment made to a State under section 2204 shall not  
4           exceed the amount paid to the State under such sec-  
5           tion for the preceding fiscal year, adjusted for  
6           changes in enrollment and a premium inflation ad-  
7           justment that is 0.5 percent below the baseline pro-  
8           jection determined under paragraph (1) for the year.

9           “(d) OTHER LIMITATIONS ON USE OF FUNDS.—

10           “(1) IN GENERAL.—A State participating under  
11           part A, and, effective January 1, 2005, all States  
12           under part B, shall ensure that any payments re-  
13           ceived by the State under section 2205 or 2116(a)  
14           are not used by any individual or entity, including  
15           providers or health plans that contract to provide  
16           services herein, to finance directly or indirectly, or to  
17           otherwise facilitate expenditures to influence health  
18           care workers of such individual or entity with re-  
19           spect to issues related to unionization.

20           “(2) CONSTRUCTION.—Nothing in this sub-  
21           section shall be construed to limit expenditures made  
22           for the purpose of good faith collective bargaining or  
23           pursuant to the terms of a bona fide collective bar-  
24           gaining agreement.

1       “(e) WAIVER OF FEDERAL REQUIREMENTS.—A  
2 State may request (and the Secretary may grant) a waiver  
3 of any provision of Federal law that the State determines  
4 is necessary in order to carry out an approved expansion  
5 phase (phase I) plan under this part.

6       “(f) REPORT.—Not later than January 1, 2002, and  
7 each January 1 thereafter, the Secretary, in consultation  
8 with the General Accounting Office and the Congressional  
9 Budget Office, shall prepare and submit to the appro-  
10 priate committees of Congress a report on the number of  
11 States receiving payments under this part for the year for  
12 which the report is being prepared as well as the level of  
13 insurance coverage attained by each such State.

14   **“SEC. 2206. DEFINITIONS.**

15       “In this title:

16           “(1) COST-SHARING.—The term ‘cost-sharing’  
17 has the meaning given such term under the Federal  
18 Employees Health Benefits Program standard Blue  
19 Cross/Blue Shield preferred provider option service  
20 benefit plan described in and offered under section  
21 8903(1) of part 5, United States Code, and includes  
22 deductibles, copayments, coinsurance, as such terms  
23 are defined for purposes of such plan.

24           “(2) ELIGIBLE RESIDENTS OF A STATE.—

1           “(A) IN GENERAL.—The term ‘eligible  
2 residents of a State’ means an individual or  
3 family who—

4           “(i) is (or consists of) a resident of  
5 the State involved;

6           “(ii) except as provided in subpara-  
7 graph (B), has a family income that does  
8 not exceed 300 percent of the poverty line;

9           “(iii) is (or consists of) a citizen of  
10 the United States, a legal resident alien, or  
11 an individual otherwise residing in the  
12 United States under the authority of Fed-  
13 eral law; and

14           “(iv) in the case of an individual, is  
15 not eligible for benefits under the medicare  
16 program under title XVIII or for medical  
17 assistance under the medicaid program  
18 under title XIX (other than under the  
19 application of section  
20 1902(a)(10)(A)(ii)(XIV)).

21           “(B) OPTION TO PROVIDE COVERAGE FOR  
22 INDIVIDUALS AND FAMILIES WITH HIGHER IN-  
23 COME.—If approved by the Secretary, a State  
24 may increase the percentage described in sub-  
25 paragraph (A)(ii), or eliminate all income eligi-

1           bility criteria in order to provide coverage under  
2           this part to more individuals and families.

3           “(3) EXPANSION PHASE (PHASE I) PLAN.—The  
4           term ‘expansion phase (phase I) plan’ means the  
5           State universal health insurance coverage plan sub-  
6           mitted under section 2201(b).

7           “(4) HEALTH CARE SERVICES.—The term  
8           ‘health care services’ includes medical, surgical,  
9           mental health, and substance abuse services, wheth-  
10          er provided on an in-patient or outpatient basis.

11          “(5) HEALTH CARE WORKER.—The term  
12          ‘health care worker’ means an individual employed  
13          by an employer that provides—

14               “(A) health care services; or

15               “(B) necessary related services, including  
16               administrative, food service, janitorial, or main-  
17               tenance service to an entity that provides such  
18               health care services.

19          “(6) HEALTH PLAN.—The term ‘health plan’  
20          includes health insurance coverage, as defined in sec-  
21          tion 2791(b)(1) of the Public Health Service Act (42  
22          U.S.C. 300gg–91(b)(1)) and group health plans, as  
23          defined in section 2791(a) of such Act (42 U.S.C.  
24          300gg91(b)(1)).

1           “(7) MENTAL HEALTH AND SUBSTANCE ABUSE  
2       TREATMENT BENEFITS PARITY.—

3           “(A) IN GENERAL.—The term ‘mental  
4       health and substance abuse treatment benefits  
5       parity’ means the same level of parity for such  
6       benefits as is required under the Federal Em-  
7       ployees Health Benefits Program standard Blue  
8       Cross/Blue Shield preferred provider option  
9       service benefit plan, described in and offered  
10      under section 8903(1) of part 5, United States  
11      Code, as of January 1, 2001.

12          “(B) EXCEPTION.—Notwithstanding sub-  
13      paragraph (A), there shall be no limit on parity  
14      benefits for patients who do not substantially  
15      follow their treatment plans unless such limits  
16      also are imposed on all medical and surgical  
17      benefits.

18          “(8) POVERTY LINE.—The term ‘poverty line’  
19      has the meaning given such term in section 673(2)  
20      of the Community Services Block Grant Act (42  
21      U.S.C. 9902(2)), including any revision required by  
22      such section.

23          “(9) PREMIUM.—The term ‘premium’ includes  
24      any enrollment fees and other similar charges.

1           “(10) QUALIFIED PLAN.—The term ‘qualified  
2           plan’ means a health plan that satisfies the coverage  
3           requirements described under section 2203 and par-  
4           ticipates in an expansion phase (phase I) plan.”.

5 **TITLE II—HEALTH SECURITY**  
6 **FOR ALL AMERICANS—UNI-**  
7 **VERSAL PHASE (PHASE II)**

8 **SEC. 201. UNIVERSAL PHASE (PHASE II) STATE UNIVERSAL**  
9 **HEALTH INSURANCE COVERAGE PLANS.**

10       Title XXII of the Social Security Act, as added by  
11 section 101, is amended by adding at the end the fol-  
12 lowing:

13 **“PART B—UNIVERSAL PHASE (PHASE II) PLANS**

14 **“SEC. 2211. PURPOSE; MANDATORY STATE PLANS.**

15       “(a) PURPOSE.—The purposes of this part are to—

16           “(1) require States to establish and implement  
17       State-administered systems to ensure universal  
18       health insurance coverage; and

19           “(2) provide funds to States for the establish-  
20       ment and implementation of such systems.

21       “(b) UNIVERSAL PHASE (PHASE II) PLAN RE-  
22 QUIRED.—

23           “(1) IN GENERAL.—Except as provided in para-  
24       graph (2), not later than January 1, 2004, a State  
25       shall submit to the Secretary a plan that sets forth



1       how the State intends to use the funds provided  
2       under this part to ensure universal, affordable, and  
3       comprehensive health insurance coverage to eligible  
4       residents of the State consistent with the provisions  
5       of this part.

6               “(2) STATES WITH PHASE I PLANS.—

7                       “(A) IN GENERAL.—Not later than Janu-  
8                       ary 1, 2004, a State with a phase I State plan  
9                       shall submit an addendum to such plan that  
10                      provides assurances to the Secretary that such  
11                      plan conforms to the requirements of this part.

12                     “(B) CONVERSION TO UNIVERSAL PHASE  
13                     (PHASE II) PLAN.—If an addendum to an ex-  
14                     pansion phase (phase I) plan is approved by the  
15                     Secretary—

16                       “(i) the plan shall be automatically  
17                       converted to a universal phase (phase II)  
18                       plan; and

19                       “(ii) section 2214 and any provision  
20                       of part A that is inconsistent with this  
21                       part shall not apply to the plan.

22               “(3) FAILURE TO SUBMIT PLAN OR ADDEN-  
23       DUM.—If a State fails to submit a plan as required  
24       in paragraph (1) (or an addendum as required in  
25       paragraph (2)), or fails to have such plan or adden-

1       dum approved by the Secretary, such State shall be  
 2       in violation of this part; and any residents of such  
 3       a State may bring a cause of action against the  
 4       State in Federal district court to require the State  
 5       to comply with the provisions of this part.

6   **“SEC. 2212. PLAN REQUIREMENTS.**

7       “(a) IN GENERAL.—A universal phase (phase II)  
 8       plan shall include a description, consistent with the re-  
 9       quirements of this part, of the following:

10           “(1) DETAILS OF THE UNIVERSAL PHASE  
 11       (PHASE II) PLAN.—The activities that the State in-  
 12       tends to carry out using funds received under this  
 13       part to ensure that all eligible residents of the State  
 14       have access to the coverage provided under this part,  
 15       including how the State will coordinate efforts under  
 16       the program under this part with existing State ef-  
 17       forts to increase to 100 percent the health insurance  
 18       coverage of eligible residents of the State by Janu-  
 19       ary 1, 2006.

20           “(2) REQUIREMENTS FOR EMPLOYERS.—The  
 21       manner in which the State will ensure that employ-  
 22       ers within the State will comply with the require-  
 23       ments of section 2214.

24           “(3) PART A PROVISIONS.—The following provi-  
 25       sions apply to a universal phase (phase II) plan

1 under this part in the same manner as such provi-  
2 sions apply to an expansion phase (phase I) plan  
3 under part A:

4 “(A) STATE OUTREACH PROGRAMS; AC-  
5 CESS.—Section 2202(a)(4).

6 “(B) ASSURANCE OF COVERAGE OF ESSEN-  
7 TIAL SERVICES.—Section 2202(a)(5).

8 “(C) REPRESENTATION ON BOARDS AND  
9 COMMISSIONS.—Section 2202(a)(6).

10 “(D) DISCLOSURE OF INFORMATION TO  
11 THE PUBLIC.—Section 2202(a)(7).

12 “(E) CONSUMER PROTECTIONS AND WORK-  
13 FORCE STANDARDS.—Section 2202(a)(8).

14 “(F) PUBLIC REVIEW.—Section  
15 2202(a)(9).

16 “(G) SERVICES IN RURAL AND UNDER-  
17 SERVED AREAS; CULTURAL COMPETENCY.—Sec-  
18 tion 2202(a)(10).

19 “(H) PURCHASING POOLS.—Section  
20 2202(a)(11).

21 “(I) LIMITATION ON ADMINISTRATIVE EX-  
22 PENDITURES.—Section 2202(a)(12).

23 “(J) SELF-EMPLOYED AND MULTI-  
24 EMPLOYED.—Section 2202(a)(13).

1                   “(K)    MEDICAID    WRAPAROUND    COV-  
2                   ERAGE.—Section 2202(a)(14).

3                   “(4) OTHER MATTERS.—Any other matter de-  
4                   termined appropriate by the Secretary.

5                   “(b) PERMISSIBLE ACTIVITIES.—A State may use  
6                   amounts provided under this part for any activities con-  
7                   sistent with this part that are appropriate to enroll indi-  
8                   viduals in health plans to ensure that all eligible residents  
9                   of the State are provided coverage under this part, includ-  
10                  ing through the use of direct payments to health plans  
11                  or providers of services.

12                  “(c) COST CONTAINMENT; COMPETITIVE BIDDING.—  
13                  Notwithstanding subsection (b), State purchasing pools  
14                  shall solicit bids from health plans at least annually.

15                  “(d) PROCESS FOR SUBMISSION, APPROVAL, AND  
16                  AMENDMENT OF UNIVERSAL PHASE (PHASE II) PLAN.—  
17                  Section 2106 applies to a universal phase (phase II) plan  
18                  under this part in the same manner as such section applies  
19                  to a State plan under title XXI, except that no universal  
20                  phase (phase II) plan may be effective earlier than Janu-  
21                  ary 1, 2005, and all such plans must be submitted for  
22                  approval by not later than January 1, 2004.

1 **“SEC. 2213. COVERAGE REQUIREMENTS FOR UNIVERSAL**  
 2 **PHASE (PHASE II) PLANS.**

3 “(a) REQUIRED SCOPE OF HEALTH INSURANCE COV-  
 4 ERAGE.—Section 2203(a) applies to a universal phase  
 5 (phase II) plan under this part.

6 “(b) UNIVERSAL COVERAGE.—All States shall ensure  
 7 that by January 1, 2006, 100 percent of eligible residents  
 8 of the State have health insurance coverage that meets  
 9 the requirements of section 2203(a).

10 “(c) LIMITATIONS ON PREMIUMS AND COST-SHAR-  
 11 ING.—Section 2203(b) applies to a universal phase (phase  
 12 II) plan under this part.

13 “(d) APPLICATION OF CERTAIN REQUIREMENTS.—  
 14 Section 2203(c) applies to a universal phase (phase II)  
 15 plan under this part.

16 **“SEC. 2214. REQUIREMENTS FOR EMPLOYERS REGARDING**  
 17 **THE PROVISION OF BENEFITS.**

18 “(a) REQUIREMENTS.—Subject to subsection  
 19 (c)(2)(B), an employer in a State shall comply with the  
 20 following requirements:

21 “(1) EMPLOYERS WITH LESS THAN 500 EM-  
 22 PLOYEES.—

23 “(A) IN GENERAL.—An employer with less  
 24 than 500 employees shall enroll each employee  
 25 in a State-designated purchasing pool.

26 “(B) CONTRIBUTIONS.—

1           “(i) IN GENERAL.—Notwithstanding  
2           subparagraph (A) and subject to clause  
3           (ii), the employer shall make a contribution  
4           on behalf of each employee for health in-  
5           surance coverage that is equal to at least  
6           80 percent of the total premiums for such  
7           coverage for employees and their families if  
8           the employee elects dependent coverage.

9           “(ii) LIMITATION.—An employer shall  
10          not be liable under subparagraph (B) for  
11          more than 10 percent of each employee’s  
12          annual wages.

13          “(2) EMPLOYERS WITH AT LEAST 500 EMPLOY-  
14          EES.—

15               “(A) IN GENERAL.—An employer with at  
16               least 500 employees, a majority of whose wages  
17               fall below an amount equal to 300 percent of  
18               the poverty line applicable to a family of the  
19               size involved, shall comply with the require-  
20               ments applicable to an employer under para-  
21               graph (1).

22               “(B) OTHER EMPLOYERS.—

23                       “(i) IN GENERAL.—An employer with  
24                       at least 500 employees that is not de-

scribed in subparagraph (A) shall, at the option of the employer, either—

“(I) comply with the requirements applicable to an employer under paragraph (1); or

“(II) provide health insurance coverage to all employees and their families (if the employee elects dependent coverage) that meets the requirements of section 2213 and the employer contribution required under paragraph (1)(B).

“(ii) ADDITIONAL EMPLOYER CONTRIBUTION.—An employer that elects to comply with clause (i)(I) shall contribute an additional 1 percent of payroll into the State-designated purchasing pool in which it participates.

“(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as prohibiting a labor organization from collectively bargaining for an employer contribution that is greater than the contribution that is required under paragraph (1)(B) or, as applicable, for health insurance benefits that are

1 greater than the coverage required under paragraph  
2 section 2203(a).

3 “(4) PART-TIME EMPLOYEES.—An employer  
4 shall be responsible for meeting the requirements  
5 under this subsection for all employees of the em-  
6 ployer.

7 “(5) MULTIEMPLOYER FAMILIES.—In the case  
8 of a family with more than 1 employer, the employ-  
9 ers of individuals within the family shall apportion  
10 their contributions in accordance with rules estab-  
11 lished by the State.

12 “(b) NONAPPLICABILITY.—This section shall not  
13 apply—

14 “(1) to any State that establishes a single  
15 payor system; or

16 “(2) to any State that established a universal  
17 phase (phase II) plan through an approved adden-  
18 dum to an expansion phase (phase I) plan.

19 “(c) PRIVATE CAUSE OF ACTION.—

20 “(1) LIABILITY.—An employer that fails to  
21 comply with the requirements of subsection (a) or  
22 otherwise takes adverse action against an employee  
23 for the purpose of interfering with the attainment of  
24 any right to which the employee may be entitled to



1 under this title, shall be liable to the employee af-  
2 fected.

3 “(2) AMOUNT.—The amount of the liability de-  
4 scribed in paragraph (1) shall be an amount equal  
5 to—

6 “(A) the contributions that otherwise  
7 would have been made by the employer on be-  
8 half of the employee under this section;

9 “(B) an additional amount as liquidated  
10 damages; and

11 “(C) consequential damages for reasonably  
12 foreseeable injuries resulting from such action.

13 “(3) JURISDICTION; EQUITABLE RELIEF.—

14 “(A) JURISDICTION.—An action under this  
15 subsection may be maintained against any em-  
16 ployer in any Federal or State court of com-  
17 petent jurisdiction by any 1 or more employees.

18 “(B) EQUITABLE RELIEF.—In addition to  
19 the damages described in paragraph (2), a  
20 court may enjoin any act or practice that vio-  
21 lates this title.

22 “(4) ATTORNEY’S FEES.—If a plaintiff or plain-  
23 tiffs prevail in an action brought under this sub-  
24 section, the court shall, in addition to any judgment  
25 awarded to the plaintiff or plaintiffs, award the rea-

1 sonable attorney's fees and costs associated with the  
2 bringing of the action.

3 **“SEC. 2215. ALLOTMENTS.**

4 “(a) STATE ALLOTMENTS.—Subsections (a) and (b)  
5 of section 2204 apply to a universal phase (phase II) plan  
6 under this part in the same manner as such subsections  
7 apply to an expansion phase (phase I) plan under part  
8 A.

9 “(b) SPECIAL RULE FOR EXPANSION PHASE (PHASE  
10 I) PLANS.—A State that operated an expansion phase  
11 (phase I) plan and converted such plan to a universal  
12 phase (phase II) plan pursuant to section 2211(b)(2)(B)  
13 shall continue to be eligible for the enhanced Federal par-  
14 ticipation rate determined under section 2204(c).

15 “(c) GRANTS TO INDIAN TRIBES, NATIVE HAWAIIAN  
16 ORGANIZATIONS, AND ALASKA NATIVE ORGANIZA-  
17 TIONS.—Section 2204(d) applies to a universal phase  
18 (phase II) plan under this part.

19 “(d) APPROPRIATION.—

20 “(1) IN GENERAL.—Out of any funds in the  
21 Treasury not otherwise appropriated, there is appro-  
22 priated to carry out this title such sums as may be  
23 necessary for fiscal year 2005 and each fiscal year  
24 thereafter.

1           “(2) BUDGET AUTHORITY.—Paragraph (1) con-  
2       stitutes budget authority in advance of appropria-  
3       tions Acts and represents the obligation of the Fed-  
4       eral Government to provide States, Indian tribes,  
5       Native Hawaiian organizations, and Alaska Native  
6       organizations with the allotments determined under  
7       this section and the grants for administrative and  
8       outreach activities under section 2205(a)(1)(B) (as  
9       applied to this part under section 2216(a)).

10   **“SEC. 2216. ADMINISTRATION; DEFINITIONS.**

11       “(a) ADMINISTRATION.—The provisions of section  
12   2205 (other than subsection (c) of such section) apply to  
13   a universal phase (phase II) plan under this part in the  
14   same manner as such provisions apply to an expansion  
15   phase (phase I) plan under part A.

16       “(b) DEFINITIONS.—

17           “(1) APPLICATION OF SECTION 2206.—The defi-  
18       nitions set forth in section 2206 apply to a universal  
19       phase (phase II) plan under this part in the same  
20       manner as such provisions apply to an expansion  
21       phase (phase I) plan under part A except that for  
22       purposes of this part, the definition of ‘eligible resi-  
23       dents of a State’ set forth in section 2206(2) shall  
24       be applied without regard to subparagraphs (A)(ii)  
25       and (B).

1           “(2) UNIVERSAL PHASE (PHASE II) PLAN.—In  
2           this title, the term ‘universal phase (phase II) plan’  
3           means the State universal health insurance coverage  
4           plan submitted under section 2211(b).”.

5   **SEC. 202. CONSUMER PROTECTIONS.**

6           Title XXII of the Social Security Act, as amended  
7           by section 201, is amended by adding at the end the fol-  
8           lowing:

9           **“PART C—CONSUMER PROTECTIONS**

10   **“SEC. 2221. HOME CARE STANDARDS.**

11           “In order to ensure that home care services are pro-  
12           vided in a consumer-directed manner, a State partici-  
13           pating under part A, and, effective January 1, 2005, all  
14           States under part B, shall satisfy the Secretary that any  
15           health plan that provides home care services under this  
16           title creates, or contracts with, a viable entity other than  
17           the consumer or individual provider to provide effective  
18           billing, payments for services, tax withholding, unemploy-  
19           ment insurance, and workers compensation coverage, and  
20           to serve as the statutory employer of the home care pro-  
21           vider. Recipients of such services shall retain the right to  
22           independently select, hire, terminate, and direct the work  
23           of the home care provider.

1 **“SEC. 2222. CONSUMER PROTECTION IN THE EVENT OF**  
2 **TERMINATION OR SUSPENSION OF SERVICES.**

3 “A State participating under part A, and, effective  
4 January 1, 2005, all States under part B, shall satisfy  
5 the Secretary that any health plan providing services  
6 under this title shall ensure that enrollees will receive con-  
7 tinued health services in the event that the plan’s health  
8 care services are terminated or suspended, including as  
9 the result of the plan filing for bankruptcy relief under  
10 title 11, United States Code, or the failure of the plan  
11 to provide payments to providers, lockouts, work stop-  
12 pages, or other labor management problems.

13 **“SEC. 2223. CONSUMER PROTECTION THROUGH DISCLO-**  
14 **SURE OF INFORMATION.**

15 “(a) IN GENERAL.—A State participating under part  
16 A, and, effective January 1, 2005, all States under part  
17 B, shall satisfy the Secretary that any health care provider  
18 that provides services to individuals under this title shall  
19 provide to the State information regarding the identity,  
20 employment location, and qualifications of health care  
21 workers providing services under—

22 “(1) the licensure of the provider; or

23 “(2) a contract between the provider and a  
24 health plan or the State.

1 “(b) AVAILABILITY TO PUBLIC.—A health care pro-  
 2 vider shall make the information described in subsection  
 3 (a) available to the public.

4 **“SEC. 2224. CONSUMER PROTECTION THROUGH NOTICE OF**  
 5 **CHANGES IN HEALTH CARE DELIVERY.**

6 “A State participating under part A, and, effective  
 7 January 1, 2005, all States under part B, shall describe  
 8 how the State will provide, at a minimum, the following  
 9 protections:

10 “(1) Adequate advance notice to the public, the  
 11 affected health care workers, and labor organizations  
 12 representing such workers, of a pending—

13 “(A) facility or operating unit closure;

14 “(B) sale, merger, or consolidation of a fa-  
 15 cility or operating unit;

16 “(C) transfer of work from 1 facility or en-  
 17 tity to another facility or entity; or

18 “(D) reduction of services.

19 “(2) A right of first refusal for similar vacant  
 20 positions with—

21 “(A) the resulting entity, in the case of a  
 22 health care worker whose position was elimi-  
 23 nated following a merger of the worker’s origi-  
 24 nal employer with a new entity; or

“(B) the contractor, in the case of a health care worker whose position was eliminated following the contracting out of the work the worker formerly performed.”.

## **TITLE III—PATIENT PROTECTIONS**

### **SEC. 301. INCORPORATION OF CERTAIN PROTECTIONS.**

(a) INCORPORATION.—The provisions of the following bills are hereby enacted into law:

(1) H.R. 2723 of the 106th Congress (other than section 135(b)), as passed the House of Representatives on October 7, 1999.

(2) H.R. 137 of the 106th Congress, as introduced on January 6, 1999.

(b) PUBLICATION.—In publishing this Act in slip form and in the United States Statutes at Large pursuant to section 112, of title 1, United States Code, the Archivist of the United States shall include after the date of approval at the end appendixes setting forth the texts of the bills referred to in subsection (a) of this section.

1 **TITLE IV—HEALTH CARE QUAL-**  
2 **ITY, PATIENT SAFETY, AND**  
3 **WORKFORCE STANDARDS**

4 **SEC. 401. HEALTH CARE QUALITY, PATIENT SAFETY, AND**  
5 **WORKFORCE STANDARDS INSTITUTE.**

6 (a) ESTABLISHMENT.—

7 (1) INSTITUTE.—There is established within  
8 the Agency for Healthcare Research and Quality, an  
9 institute to be known as the Health Care Quality,  
10 Patient Safety, and Workforce Standards Institute  
11 (in this section referred to as the “Institute”).

12 (2) DIRECTOR.—The Secretary of Health and  
13 Human Services shall appoint a director of the Insti-  
14 tute. The director shall administer the Institute and  
15 carry out the duties of the director under this sec-  
16 tion subject to the authority, direction, and control  
17 of the Secretary.

18 (b) MISSION.—The mission of the Institute is to—

19 (1) demonstrate how patient safety issues and  
20 workplace conditions are linked to quality patient  
21 care and the reduction of the incidence of medical  
22 errors; and

23 (2) reduce the incidence of medical errors and  
24 improve patient safety and quality of care.



1       (c) DUTIES.—In carrying out the mission of the In-  
2       stitute, the director of the Institute shall—

3               (1) work closely with the director of the Agency  
4       for Healthcare Research and Quality to ensure that  
5       issues related to workplace conditions are reflected  
6       in the activities conducted by such agency in order  
7       to reduce the incidence of medical errors and im-  
8       prove patient safety and quality of care, including—

9                       (A) the establishment of national goals;

10                      (B) the development and implementation  
11       of a research agenda;

12                      (C) the development and promotion of best  
13       practices;

14                      (D) the development of performance and  
15       staffing standards in consultation with the  
16       Health Care Financing Administration and  
17       other Federal agencies, as appropriate; and

18                      (E) the development and dissemination of  
19       information, educational and training materials,  
20       and other criteria as it relates to the delivery of  
21       quality care;

22               (2) provide recommendations to the Secretary  
23       of Health and Human Services and other Federal  
24       agencies with responsibility for health care quality  
25       and the development of standards that impact on

1 the delivery of quality patient care on standards re-  
2 lated to workplace conditions and patient safety;

3 (3) support the activities of the Health Care Fi-  
4 nancing Administration related to the development  
5 of new or revised conditions of participation under  
6 the medicare and medicaid programs and subsequent  
7 rulemaking on issues related to workplace condi-  
8 tions, medical errors, and patient safety and quality  
9 of care; and

10 (4) conduct other activities determined appro-  
11 priate by the director of the Institute.

12 (d) WORKPLACE CONDITIONS.—For purposes of this  
13 section, the term “workplace conditions” shall include  
14 issues related to—

15 (1) health care worker staffing;

16 (2) hours of work;

17 (3) confidentiality and whistleblower protec-  
18 tions;

19 (4) employee participation in decisionmaking  
20 roles that contribute to improved quality of care and  
21 the reduction of the incidence of medical errors;

22 (5) workforce training; and

23 (6) the impact of health care delivery restruc-  
24 turing on communities and health care workers.

25 (e) DEFINITION OF HEALTH CARE WORKER.—

1           (1) IN GENERAL.—In this section, the term  
 2           “health care worker” means an individual employed  
 3           by an employer that provides—

4                   (A) health care services; or

5                   (B) necessary related services, including  
 6           administrative, food service, janitorial, or main-  
 7           tenance service to an entity that provides such  
 8           health care services.

9           (2) HEALTH CARE SERVICES.—In paragraph  
 10          (1), the term “health care services” includes med-  
 11          ical, surgical, mental health, and substance abuse  
 12          services, whether provided on an in-patient or out-  
 13          patient basis.

14          (f) AUTHORIZATION OF APPROPRIATIONS.—There  
 15          are authorized to be appropriated to the Institute such  
 16          sums as may be necessary to carry out the purposes of  
 17          this section.

18   **SEC. 402. HEALTH CARE QUALITY, PATIENT SAFETY, AND**  
 19                   **WORKFORCE STANDARDS ADVISORY COM-**  
 20                   **MITTEE.**

21          (a) ESTABLISHMENT OF COMMITTEE.—There is es-  
 22          tablished a Health Care Quality, Patient Safety, and  
 23          Workforce Standards Committee (in this section referred  
 24          to as the “Committee”).

25          (b) FUNCTIONS OF COMMITTEE.—

1           (1) ADVICE TO INSTITUTE.—The Committee  
2       shall provide advice to the Director of the Health  
3       Care Quality, Patient Safety, and Workforce Stand-  
4       ards Institute established under section 401 on  
5       issues related to the duties of the Director.

6           (2) INITIAL REPORT.—Not later than December  
7       31, 2001, the Committee shall submit an initial re-  
8       port to the Secretary that contains—

9           (A) recommendations regarding minimal  
10       workforce standards that are critical for im-  
11       proved health care quality and patient safety;  
12       and

13          (B) recommendations regarding additional  
14       ways to reduce the incidence of medical errors  
15       and to improve patient safety and quality of  
16       care.

17          (3) FINAL REPORT.—Not later than December  
18       31, 2002, the Committee shall submit a final report  
19       to the Secretary of Health and Human Services re-  
20       garding the recommendations contained in the initial  
21       report required under paragraph (2), including any  
22       modifications of such recommendations.

23          (c) STRUCTURE AND MEMBERSHIP OF THE COM-  
24       MITTEE.—

1           (1) STRUCTURE.—The Committee shall be com-  
2       posed of the Director of the Health Care Quality,  
3       Patient Safety, and Workforce Standards Institute  
4       established under section 401 and 15 additional  
5       members who shall be appointed by the Secretary of  
6       Health and Human Services.

7           (2) MEMBERSHIP.—

8           (A) IN GENERAL.—The members of the  
9       Committee shall be chosen on the basis of their  
10      integrity, impartiality, and good judgment, and  
11      shall be individuals who are, by reason of their  
12      education, experience, and attainments, excep-  
13      tionally qualified to perform the duties of mem-  
14      bers of the Committee.

15          (B) SPECIFIC MEMBERS.—In making ap-  
16      pointments under paragraph (1), the Secretary  
17      of Health and Human Services shall ensure  
18      that the following groups are represented:

19              (i) Health care providers and health  
20      care workers, including labor unions rep-  
21      resenting health care workers.

22              (ii) Consumer organizations.

23              (iii) Health care institutions.

24              (iv) Health education organizations.

1 (d) CHAIRMAN.—The Director of the Health Care  
 2 Quality, Patient Safety, and Workforce Standards Insti-  
 3 tute established under section 401 shall chair the Com-  
 4 mittee.

## 5 **TITLE V—IMPROVING MEDICARE** 6 **BENEFITS**

### 7 **SEC. 501. FULL MENTAL HEALTH AND SUBSTANCE ABUSE** 8 **TREATMENT BENEFITS PARITY.**

9 Notwithstanding any provision of title XVIII of the  
 10 Social Security Act (42 U.S.C. 1395 et seq.), beginning  
 11 January 1, 2001, each individual who is entitled to bene-  
 12 fits under part A or enrolled under part B of the medicare  
 13 program, including an individual enrolled in a  
 14 Medicare+Choice plan offered by a Medicare+Choice or-  
 15 ganization under part C of such program, shall be pro-  
 16 vided full mental health and substance abuse treatment  
 17 parity under the medicare program established under such  
 18 title of such Act consistent with title XXII of the Social  
 19 Security Act (as added by this Act).

## 20 **TITLE VI—LONG-TERM AND** 21 **HOME HEALTH CARE**

### 22 **SEC. 601. STUDIES AND DEMONSTRATION PROJECTS TO** 23 **IDENTIFY MODEL PROGRAMS.**

24 The Secretary of Health of Human Services shall—

1           (1) conduct studies and demonstration projects,  
2           through grant, contract, or interagency agreement,  
3           that are designed to identify model programs for the  
4           provision of long-term and home health care serv-  
5           ices;

6           (2) report regularly to Congress on the results  
7           of such studies and demonstration projects; and

8           (3) include in such report any recommendations  
9           for legislation to expand or continue such studies  
10          and projects.

## 11       **TITLE VII—MISCELLANEOUS**

### 12       **SEC. 701. NONAPPLICATION OF ERISA.**

13       The provisions of section 514 of the Employee Retire-  
14       ment Income Security Act of 1974 (29 U.S.C. 1144) shall  
15       not apply with respect to health benefits provided under  
16       a group health plan (as defined in section 733(a) of that  
17       Act (29 U.S.C. 1191b(a))) qualified to offer such benefits  
18       under an expansion phase (phase I) plan under title XXII  
19       of the Social Security Act (as added by this Act) or under  
20       a universal phase (phase II) plan under such title.

### 21       **SEC. 702. SENSE OF CONGRESS REGARDING OFFSETS.**

22       It is the sense of Congress that any sums necessary  
23       for the implementation of this Act, and the amendments  
24       made by this Act, should be offset by—

- 1           (1) general revenues available as a result of an  
2           on-budget surplus for a fiscal year;
- 3           (2) direct savings in health care expenditures  
4           resulting from the implementation of this Act; and
- 5           (3) reductions in unnecessary Federal tax bene-  
6           fits available only to individuals and large corpora-  
7           tions that are in the maximum tax brackets.

○